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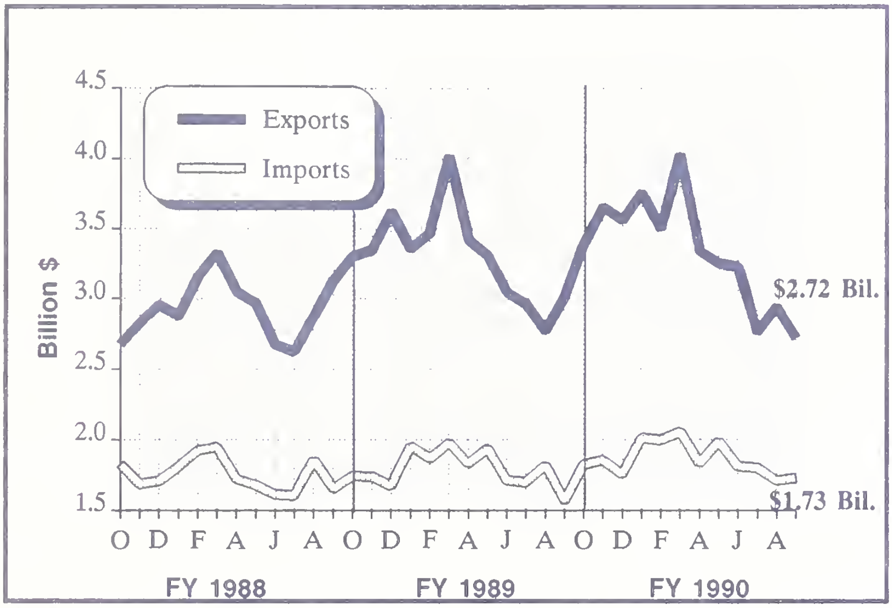
AGRICULTURAL TRADE HIGHLIGHTS

September's Sales Raise Fiscal 1990 Total to $40.1 Billion



September trade data released by the Commerce Department on November 16 placed U.S. agricultural exports at $2.7 billion and 9.2 million metric tons, down $222 million and 1.7 million tons from August. Compared with a year ago, this month's exports declined by $287 million and 2 million tons.

September's exports bring the fiscal 1990 total to $40.1 billion, a modest increase of 1.4 percent from fiscal 1989, and the highest level since 1981's $43.8 billion record. Imports reached an all-time high of $22.5 billion for fiscal 1990, resulting in a trade balance of $17.6 billion, a 3 percent decline from fiscal 1989's $18.1 billion.

Oilseeds and products led commodity gains in September, with soybeans up 52 percent to $182 million, and soybean meal up 41 percent to $48 million. Planting seeds also experienced a significant gain, rising 38 percent to $59 million. Other commodities showing gains were red meats, up 22 percent to $190 million, and horticultural products, up 37 percent to $126 million.

The drop in wheat sales was the main cause of the dip in September's export value from a year ago. Higher global production, reduced demand, and lower prices have all played a part in reducing exports of wheat over the past year. September's exports declined 48 percent to $341 million. Other declines came from cotton and linters, down 14 percent to $146 million; rice, down 28 percent to $66 million; animal fats, down 30 percent to $41 million; and soybean oil, down 36 percent to $38 million.

The top five markets in September (including Japan, EC, Canada, Mexico and South Korea) were relatively unchanged from August. Mexico made the only move, taking over South Korea's No. 4 position.

For fiscal 1990, the top markets were only slightly different from fiscal 1989. The only newcomer to the list was Hong Kong at $685 million. It displaced Iraq from the No. 10 spot.

Japan again topped the list, remaining the No. 1 export market at $8.1 billion. The European Community (EC) held it's No. 2 position, increasing 4 percent to $6.8 billion, while the USSR fell from No. 3 to No. 4 at $2.9 billion. Canada took over the No. 3 position, mainly due to the revision in statistical reporting methods. Exports to Canada totaled $3.7 billion. Sales to South Korea grew 10 percent to $2.7 billion in fiscal 1990, making it the fifth largest market, beating Mexico at $2.6 billion.

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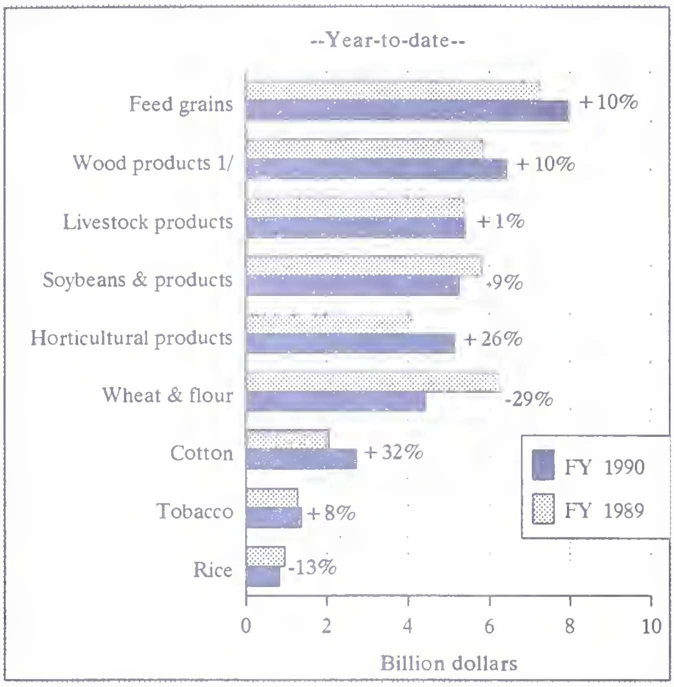
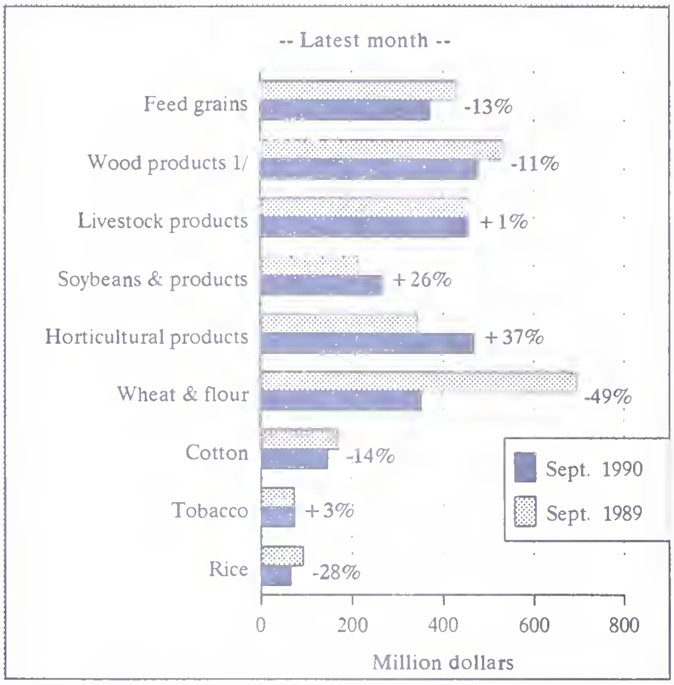
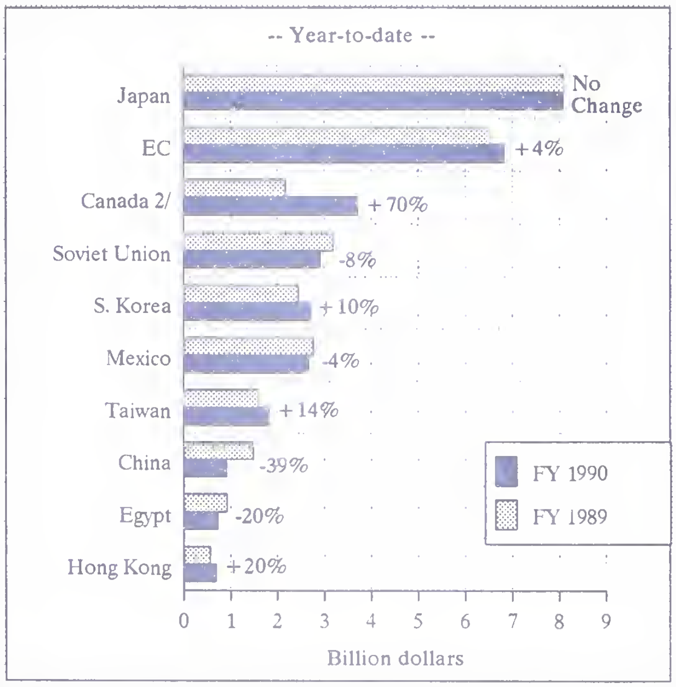
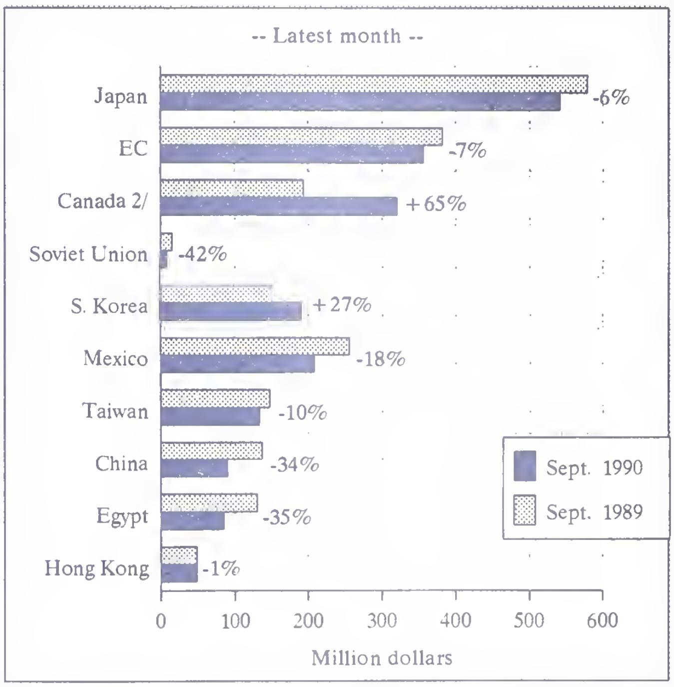




Top Ten Markets Summary





Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals. 2/ U.S. agricultural exports to Canada have been under-reported in past years by about $1 billion a year and officially recognized by both Governments. Effective January 1990, the U.S. Bureau of the Census began adjusting U.S. export statistics to account for these differences.

Commodity Highlights

Though it seemed that export value had reached its lowest level for the year in July, September's figure of $2.72 billion displaced it as the lowest monthly value since July 1988. For the month, value was down 10 percent while volume of 9.2 million metric tons was down 18 percent from a year ago. Despite September's performance, exports ended the year at $40.1 billion and 148.7 million tons, slightly above last year's numbers and just over the USDA forecast of $40.0 billion and 148.5 million tons. Exports for fiscal 1991 are projected by the Department at $38.5 billion and 139.5 million tons.

September's sales of *wheat and flour* slumped 49 percent in value and 33 percent in volume from a year ago. Exports for the month amounted to $353 million and 2.9 million tons, bringing the fiscal year totals to $4.4 billion and 29 million tons. For the year, both value and volume were well below last year's $6.3 billion and 38.9 million tons. Lower wheat prices and a forecast drop in volume (to 27.5 million tons) are expected to reduce fiscal 1991 wheat and flour sales to $3.3 billion.

Despite advances in corn and oat exports, a slump in shipments of sorghum, barley, and rye caused overall September *feed grain* sales to fall 13 percent in value from last year's monthly figure to $374 million and 20 percent in volume to 3.2 million tons. However, feed grain exports finished the year at $8 billion and 69 million tons, $700 million and 9 million tons over fiscal 1989's year-end levels. The projection for 1991 places coarse grain exports at $6.9 billion and 59.8 million tons.

For yet another month, *rice* sales experienced large declines, dropping $26 million and 66,000 tons from a year ago to total $66 million and 207,000 tons in September. These monthly figures brought exports for the year to $830 million and 2.5 million tons. Mexico and Peru ended the year as the best growth markets. Exports for fiscal 1991 are forecast down slightly from fiscal 1990 to $800 million and 2.4 million tons.

Increased exports of soybeans and meal in September resulted in higher overall *soybean and product* sales for the fourth consecutive month. Value of $267 million was up 26 percent from September 1989 while volume of 1.0 million tons was up 38 percent. Despite this solid performance, value for the year of $5.3 billion came in below last year's $5.8 billion. Volume, however, of 22.3 million tons was above 1989's 19.7 million tons. The projection for fiscal 1991 of $5.3 billion and 22.2 million tons bears close resemblence to these final fiscal 1990 figures.

For the first time since July, U.S. *cotton* sales for the month were down from year-ago levels. At $146 million and 92,000 tons, exports dipped $24 million and 19,000 tons below last year's monthly figures. For the year, exports of $2.7 billion and 1.7 million tons finished ahead of the $2.1 billion and 1.5 million tons of fiscal 1989. The fiscal 1991 forecast puts cotton sales at $2.7 billion and 1.6 million tons.

As has been the case for many months, the value of *unmanufactured tobacco* shipments increased, rising 3 percent from last September to $74 million. Volume for the month, however, was off, falling 14 percent to 12,000 tons. Total exports for the year climbed to all of the major markets, except Japan, reaching $1.4 billion and 219,000 tons. Sales of $1.4 billion and 200,000 tons are projected for fiscal 1991.

A jump in exports of beef and veal, hides and skins, and variety meats contributed to the slight growth in the value of *livestock and product* sales from September of a year ago. For the month, these exports totaled $456 million. Livestock and product exports ended the year at $5.4 billion. Sales are forecast to be a slightly higher $5.5 billion.

The 37-percent boost from last September in sales of *horticultural products* was, in part, attributable to increased exports of grapes, apples, fresh citrus fruits, dried fruits, fruit juices, vegetables, and nursery products. Sales of all horticultural products measured $468 million and 395,000 tons in September compared to $343 million and 259,000 tons a year ago.

September's figures brought fiscal 1990 exports of horticultural products to a new record level of $5.2 billion and 5 million tons, $1.1 billion and 769,000 tons higher than last year's record sales of $4.1 billion and 3.8 million tons. Canada appeared as the biggest market for horticultural products this year, mainly as a result of changes in statistical reporting methods.

Fiscal 1991 is expected to be another record-breaking year for horticultural product exports, with sales projected to reach $5.5 billion and 5 million tons.

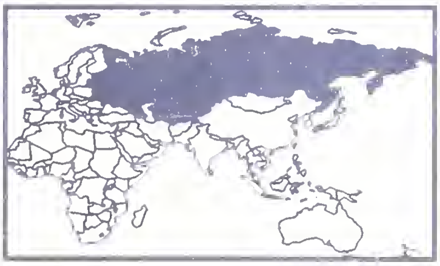
For more information, contact Kathleen Anderson, (202)382-9055.

Top Five Markets for Major U.S. Commodities

Fiscal Year Comparisons

Note: Percentages are computed as the change from fiscal 1989 to fiscal 1990.

Country Spotlight: Soviet Union



The Soviet Union is a market with great potential for further expansion of U.S. agricultural exports. Given the Soviet Union's current food shortages and the need to maintain its standard of living during this transitional period, the United States stands to capture a growing share of the Soviet agricultural import market. The primary obstacles keeping this market from being even bigger are its lack of hard currency and the disorganization in the foreign trade sector caused by the decentralization.

U.S. agricultural exports to the Soviet Union soared to a record $3.2 billion in fiscal 1989, ranking it as the second largest single-country market for U.S. farm products. Despite larger volume shipments to this country in fiscal 1990, lower grain prices prevented the value of U.S. exports in 1990 from exceeding $2.9 billion. Nonetheless, it ranked as the year's fourth largest U.S. market.

The United States has been a large residual supplier of Soviet grain and oilseed imports. U.S. exports of corn reached $1.8 billion in fiscal 1990 while sales of wheat and soybean meal totaled $550 and $304 million, respectively. On January 1, 1991, a new Long-term Grain Agreement (LTA) will guarantee Soviet purchases of at least 10 million tons of grain for each of the next 5 years.

The new LTA, signed on June 1, 1990, provides for minimum annual purchase levels of 4 million tons of wheat, 4 million tons of feed grains (corn, barley, and sorghum), and 2 million tons of either wheat, feedgrains, soybeans, or soybean meal with each ton of soybeans or meal counting for 2 tons of grain. It also provides for a maximum purchase level of 14 million tons annually. After this level is reached, the Soviets must consult with the U.S. Government for further purchases.

While strength in this market is likely to continue as a result of the LTA, opportunities abound for several high-value products including poultry meat, butter and margarine, and breeding cattle. Poultry meat seems to be a particularly good market as illustrated by last year's heavy Soviet purchases from the United States.

Soviet poultry purchases reflect a significant departure from past practices. For almost a decade, the Soviets were unwilling to spend hard currency on meat unless it could be bought at very low prices. In 1990, however, food shortages caused the Soviet Union to become the largest buyer of U.S. broiler exports. In the next few years, growing demand for poultry meat combined with production shortfalls, resulting from a feed grain shortage, will create a greater need for poultry imports.

Deficits in Soviet milk and vegetable oil production have led to increasing opportunities for U.S. exports of butter and margarine. U.S. butter exports to the Soviet Union, which were virtually nil in fiscal 1989, reached $57 million in fiscal 1990. Exports to that destination are projected to be the same or higher in 1991, as production of both milk and vegetable oil remain below the level of Soviet demand.

Prospects for increasing sales of agricultural inputs, like breeding cattle, to the Soviet Union are good. In the past few years the Soviets have shown some willingness to invest in breeding cattle and livestock genetics to improve domestic herds. With their currently low cattle and cow inventories, demand for breeding stock and genetics imports should rise.

For more information, contact Kathleen Anderson, (202)382-9055.

Changes in COMECON Beginning January 1, 1991

Last July, President Gorbachev issued a decree instructing the Soviet government "to ensure a transition as of January 1, 1991, to the settlement of accounts with other Comecon member states at world prices, in freely convertible currencies."

In theory, this means that all Comecon countries—including the Eastern European countries, Vietnam, Cuba and Mongolia—will begin to trade at world prices starting January 1. In practice, however, most observers expect that the usual form of Comecon trading, basically regulated barter, will be retained to some extent during a transition period of 3-5 years.

The Eastern European Comecon countries have traditionally conducted about 40 percent of their total trade with the Soviet Union. Much of this trade has been Soviet oil and gas in exchange for manufactured goods. Recent events suggest that the Soviet Union is willing to accept repayment from these countries in the form of a combination of hard currency and quality goods that are locally scarce—specifically food, consumer goods and manufacturing equipment.

Depending on the degree of actual hard currency trading, the Soviet Union stands to gain a trade surplus of $5-10 billion with Eastern Europe in 1991. If such a surplus is created, the Soviet Union will then be able to use it to purchase additional agricultural and consumer goods from the West.

Competitive Imports End the Year at Record $16.9 Billion; Increases in Fruits and Vegetables Responsible

U.S. agricultural imports for September totaled $1.7 billion, up from $1.6 billion in September of last year. This marks the end of the fiscal year, leaving imports in 1990 at $22.5 billion, up 6 percent or $1 billion from 1989, and the highest annual import figure on record.

Almost half of this $1 billion advance occurred in purchases from Mexico. Livestock and horticultural imports from this country experienced the largest gains. Other notable increases came from Guatemala (up $160 million), again with livestock and horticultural products showing the most growth, and Canada, up $310 million, led by increases in cocoa products as well as fruits and vegetables.

Competitive imports continued their strong showing in September, reaching $1.31 billion. The fiscal year closed at a record $16.9 billion, up from $15.2 billion in 1989.

At $1.31 billion, competitive imports continued their strong showing in September.

Animal and animal product imports were up 23 percent in September to $440 million, a gain of $80 million from last year. For the year, they were up $610 million to $5.5 billion. Much of this gain is attributed to higher live animal and beef and veal purchases.

Live animal imports (primarily cattle) are up 42 percent for the year to $1.1 billion as purchases from Mexico have grown from 1989 levels. Beef and veal imports increased 21 percent (to $1.8 billion) for the year, with Australia responsible for nearly all this increase.

Imports of fruits and juices were strong in September, up 65 percent from last September. Of this increase, roughly four-fifths was in fruit juices and one-fifth in fresh and processed fruit. Increases in juice imports came mostly from Brazil, while Ecuador supplied much of the fruit. The result is that 1990 fruit and juice imports ended the year at $2.2 billion, up 17 percent from 1989 levels.

September's dairy imports declined 5 percent (to $69 million) from year-ago levels, primarily because of recent lower domestic prices. Earlier in the year, domestic prices were high, making imports attractive. This explains why recent monthly imports were lower and yearly levels were high. Dairy products for the year rose 14 percent to $950 million, with cheese and casein leading the gain.

September vegetable imports were down 4 percent from a year ago to $112 million. Imports for the year however, gained 16 percent, or $300 million, to finish at $2.3 billion. Tomatoes were largely responsible, with imports up $180 million to almost $400 million. Mexico was the major source of these increases.

Noncompetitive product imports were down 13 percent to $417 million from year-ago levels. Much of the decline was due to depressed coffee prices, which more than offset the 19 percent increase in import volume. The collapse in the International Coffee Organization caused the drop in prices. For the year, noncompetitive product imports were down 10 percent, to $5.6 billion.

For more information, contact Thomas St. Clair, (202)382-9521.

U.S. Agricultural Imports by Major Product Sector

August 1990 Versus Month-ago and Year-ago

Import Category	Sept. 1990	Month Ago	Year Ago	% Change From Aug.'90	% Change From Sept.'89
	— Million $ —				
Total competitive	1,312	1,303	1,082	1	21
Fruits, incl. juices	152	126	92	21	65
Wines & beer	150	175	149	-14	1
Vegetables	112	119	116	-6	-3
Beef & veal	155	162	112	-4	38
Dairy/poultry	78	93	86	-16	-9
Pork	75	88	56	-15	34
Total noncompetitive	417	422	479	-1	-13
Coffee & products	122	128	212	-5	-42
Cocoa & products	78	96	73	-19	7
Bananas/plantains	73	78	65	-6	12
Rubber/allied gums	72	53	63	36	14
Spices	24	18	19	33	26
Tea	10	11	11	-9	-0
Total agri. imports	1,728	1,726	1,560	0	11

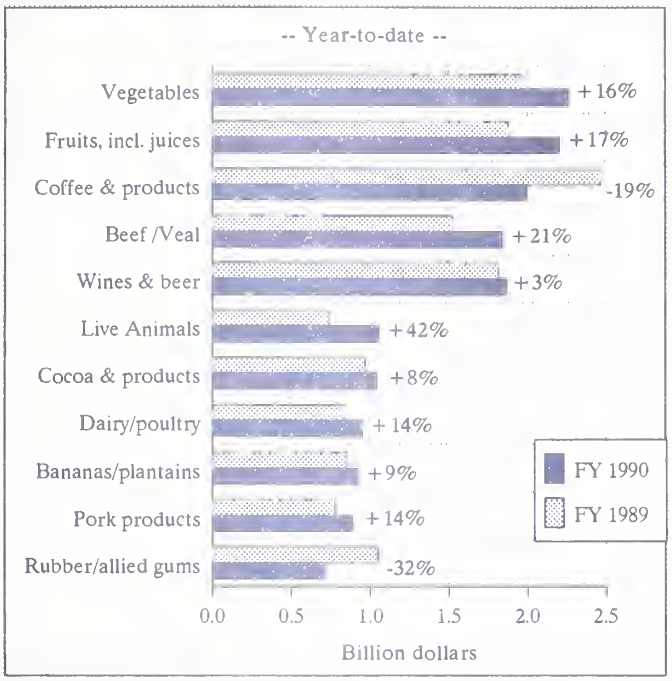
Source: Commodity Trade Analysis Branch, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

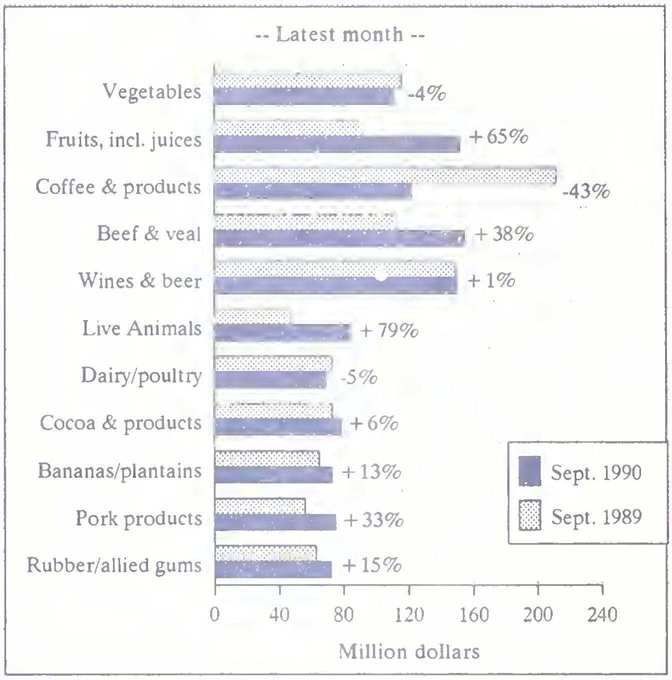
Noncompetitive imports do not compete with U.S. production and include: bananas/plantains, coffee (incl. processed), cocoa (incl. processed), rubber/allied gums, spices, essential oils, tea, and carpet wools.

U.S. Agricultural Import Summaries

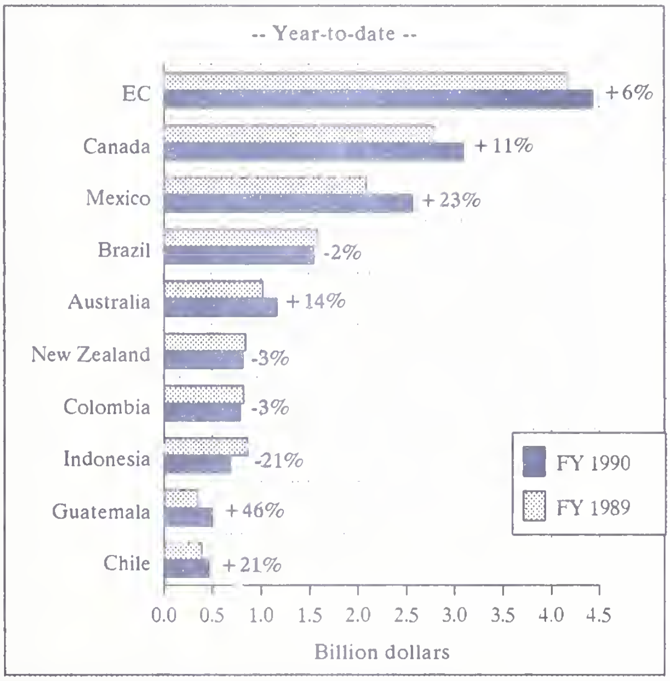
Fisal Year and Latest Month Comparisons

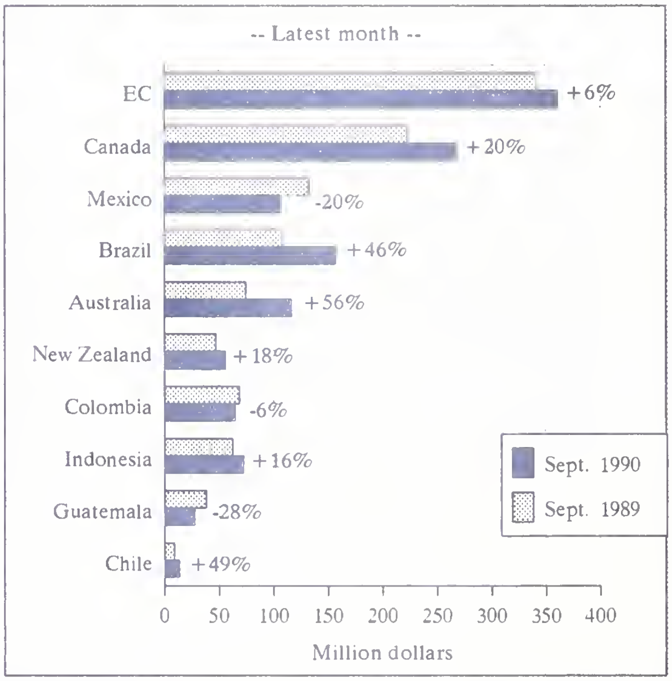
Product Summary





Top Ten Suppliers Summary





Note: Percentages are computed as the change from a year ago.

Trade Policy Updates

Japan's Increase in Customs Inspections Not a Trade Barrier

Press reports on Japan's planned increase in customs inspectors implied that pressure from consumer groups and politicians on food safety issues was behind the decision. In fact, beefing up of the Government's inspector force is consistent with efforts to comply with Japan's commitment (in the U.S.-Japan Structural Impediments Initiative) to speed up Japan's overall import clearance procedures. The budget proposal submitted by Japan's Ministry of Health and Welfare (MHW) initially calls for increasing port inspectors from 99 to 124 and by 1993 increasing to 200 inspectors. As rationale behind this decision the MHW cited increased levels of traffic coming into new international airports combined with MHW's sense of currently being understaffed. MHW requested an increase in the number of inspection offices nationwide from the current 22 to 31. MHW is also in the process of developing a pre-clearance program for foreign food plants which should expedite imports from the U.S.

New Domestic Rice Market in Japan

A new auction market for a limited amount of domestically produced rice has begun operation in Japan. The first bidding took place in Tokyo on October 31 and in Osaka on November 7. The purpose of the new market is to introduce market mechanisms into the pricing of rice in Japan. Numerous controls, however, which limit the quantity traded, set maximum price fluctuations, and allow the participation of Zennoh (the national agricultural cooperative federation which currently controls pricing of independently distributed rice in Japan) are likely to dilute its impact. Historically, rice pricing in Japan was market-oriented. In fact, the Japanese rice futures market established by the Tokugawa shogunate in the 1700's was one of the first in the world. Since the pre-World War II period, however, rice pricing has been under strict government control. The establishment of this new rice market is a useful, albeit limited, step toward a more market-oriented situation for rice.

Poll Confirms Majority of Japanese Support the Opening of Rice Market

In a nationwide poll conducted in Japan in late September, 65 percent of those surveyed support either partial or complete liberalization of Japan's rice market and 77 percent believe that U.S. requests will result in eventual opening of the market. This confirms the results of a number of polls reported in May and June which showed majority support for at least partial liberalization of rice imports. In the September survey 3,000 people aged 20 and over, representing the country's 90 million eligible voters, were interviewed at 250 locations throughout Japan. A small minority (6 percent) of those surveyed insisted on "immediate, complete liberalization," but a sizable number called for "complete liberalization in stages" (26 percent) and for "liberalization with quantitative limits" (33 percent).

Korean Farm Group Distributes Anti-Import Comic Book to Children

Korea's National Agricultural Cooperative Federation (NACF) has published a comic book detailing the evils of imported agricultural products. The NACF has been described as a "wholly-owned subsidiary" of Korea's Ministry of Agriculture, Forestry, and Fisheries (MAFF). The book, which will be distributed to 10 million school children, urges Koreans to stop eating imported agricultural items in order to protect Korean farmers and to protect consumers' health from poisonous chemicals, antibiotics and radioactivity. Children are urged to monitor their mothers at the grocery store and prevent them from buying imported agricultural items. Publication of the book coincided with meetings with Minister Cho of MAFF and with Secretary Yeutter and other U.S. cabinet members to convince them of Korea's commitment to the principles of the Uruguay Round and of Korea's past efforts to liberalize agricultural imports.

Compromise Reform Plan Passed by Supreme Soviet

The much-awaited economic reform plan reveals a compromise between the "500 Days" plan, its variations, and the Ryzhkov plan. Although the plan follows the general free-market principles put forth in the "500 Days" plan, it does not adhere to either the strictness of the measures or the timetable of the "500 Days" plan. The plan still includes denationalization and privatization of property and Government industries, lifting of price controls, tight control of monetary policy, banking reform, encouragement of foreign ownership and investment, and sharp budget cuts. However, privatization and the lifting of price controls will not likely occur within a 500-day time frame.

Exports of Cigarettes to Thailand

On November 7, the GATT Council, including the Thai representative, voted to accept a GATT Panel's recommendations on Thailand's import ban on cigarettes and application of excise taxes. On October 7, preceding that determination, and in line with the Panel's recommendations, the Thai Cabinet voted to permit the importation of foreign manufactured cigarettes. During the week of November 5, some progress was made during consultations between the United States and Thailand held in Geneva to discuss remaining U.S. industry concerns relating to market access including advertising, application of the excise tax stamp, bonded warehouses, and factors affecting price.

Materials Available

- Agricultural Trade and Development Missions Program (Revised September 1990)
- Comparisons of U.S. and EC Support for Agriculture (August 1990)
- Foreign Agricultural Trade and Market Information System (Revised August 1990)
- U.S. Sugar Program (Revised August 1990)
- Agricultural Trade Policy and Trade for Eastern Europe and the Soviet Union (August 1990)

Requests for copies of materials listed above may be sent to the Trade Assistance and Planning Office, 3101 Park Center Drive, Suite 1103, Alexandria, VA 22302. Tel. (703) 756-6001. FAX (703) 756-6124.

Market Updates

India Cuts Vegetable Oil Imports

USDA has reduced its forecast for India's vegetable oil imports for 1990/91 by 310,000 tons to 947,000 tons. Most of the decline is in soybean oil and rapeseed oil imports and is based on a very tight foreign currency situation along with India's expanded production of soybeans, sunflowerseed, rapeseed, and cottonseed.

Petition Submitted To Investigate Suspension of Peanut Import Quotas

The peanut butter and nut processors have petitioned the International Trade Commission (ITC) on October 12 to investigate total suspension of the Section 22 import quota on peanuts for the 1990 marketing year. The petition was filed because severe drought conditions in the southeastern U.S. producing area reduced production by an estimated 16 percent in 1990.

EC Commission Authorizes New Beef Sales to Brazil

In late September and early October, the EC Commission passed two new regulations making 90,000 tons of beef (product weight) available for sale to Brazil. With minimum prices set at 700 ECU/ton for product from Ireland, and 485 ECU/ton for product from other countries, the following quantities were identified: 40,000 tons from Germany, 30,000 tons from Ireland, 18,000 tons from France, and 2,000 tons from Italy. West Germany and Ireland account for the majority of stocks held, which are currently estimated at 330,000 tons for the entire Community. There is no confirmation yet from Brazil on whether or not a sale will take place.

USDA Announces Fiscal 1991 GSM-103 Program for Venezuela and Jordan and GSM-102 for Yugoslavia

USDA announced $20 million in fiscal 1991 GSM-103 Credit Guarantees for Venezuela and $65 million for Jordan. The coverage provides credit guarantees for sales of U.S. breeding livestock (cattle, swine, sheep, goats, and horses, including semen, embryos, and embryo transplants) to Venezuela and feed grains, wheat, rice, and frozen or chilled poultry meat to Jordan. USDA authorized additional $44 million in credit guarantees to U.S. exporters for sales of U.S. agricultural commodities to Yugoslavia under fiscal 1991 GSM-102 Credit Guarantee program. Coverage is available for $40 million of sales for feed grains and $4 million for a pulses credit line. This authorization brings Yugoslavia's total fiscal 1991 GSM-102 program to $84 million. As of November 14, total fiscal 1991 Credit Guarantee Program announcements stand at $2.3 billion for GSM-102 and $119 million for GSM-103.

Jamaica, Tunisia, and Guyana Sign P.L. 480, Title I Agreement

On October 12, 1990, Jamaica signed a $30.0 million fiscal 1991 P.L. 480, Title I agreement with $12.2 million for wheat and wheat flour, $8 million for rice, and $9.8 million for corn and sorghum. Of the total $30.0 million, up to $7.5 million will be provided on local currency terms. The remaining $22.5 million will be provided on convertible local currency credit terms.

Tunisia signed a P.L.480, Title I sales agreement on November 1 to provide for the sales of $7.5 million worth of U.S. wheat and $7.5 million worth of U.S. corn. The agreement is estimated to provide financing for approximately 67,000 tons of wheat and 68,000 tons of corn.

On November 9, 1990, the Government of Guyana signed a P.L. 480, Title I agreement for $6.1 million worth of U.S. wheat. This agreement will provide for the sales of approximately 56,000 tons of wheat.

USDA Accepts COAP Bid for Cottonseed Oil to Egypt

On October 24, 1990, USDA accepted a bid for 2,000 metric tons of cottonseed oil to Egypt under the Cottonseed Oil Assistance Program (COAP). USDA's 659-pounds-per-metric-ton bonus was awarded to Cargill, Incorporated. Egypt's remaining COAP balance is 6,000 metric tons.

India Raises Cotton Export Quota

The Government of India recently announced that cotton exports for fiscal 1990/91 (April-March) will be raised by 500,000 bales to 1 million Indian bales (780,000 480-pound bales). The action reflects the Government's strong desire to earn foreign exchange and an optimistic outlook for a record crop and ample domestic supply. The possibility of expanding the quota to 2 million bales later in the year was also raised, presenting the specter of record breaking exports for India for marketing year 1990/91.

Slowdown in USSR Meat and Livestock Production

The USSR state commission for statistics (GOSKOMSTAT) published agricultural and food results for January-September 1990. Output of processed food and livestock production has either decreased or shown very little improvement during this period despite a record or near-record grain harvest. Processed meat production decreased in all republics except Moldavia, compared with the corresponding period in 1989. Sausage production remained stable, but meat and poultry production was 4 percent behind last year's pace. U.S. exports of meat products and poultry to the USSR for January-August 1990 were valued at $76.4 million compared with $35.5 million in calendar 1989.

Japan Concerned about Coloring of U.S. Cherries

The Japanese Ministry of Health and Welfare (MHW) is concerned that the process used in the United States to color cherries with carmine (a natural insect-based coloring substance) may be considered "artificial" according to Japanese regulations. FAS/Tokyo and the U.S. industry will continue to work closely with MHW in an attempt to resolve the issue.

Turkey Sells Cigarettes to USSR

For the first time in recent history, TEKEL (Turkish state monopoly) is selling cigarettes to the Soviet Union. Recently TEKEL made an agreement to ship the USSR about 3 billion cigarettes. Additional sales of about 10 billion cigarettes are expected for 1991. So far, sales have been for domestic oriental cigarettes.

President Suspends the Import Quota on Cotton Comber Waste

On November 13, 1990, President Bush proclaimed an indefinite suspension of the import quota on cotton comber waste. The quantitative restrictions that were previously imposed under Section 22 of the Agricultural Adjustment Act of 1933 have been suspended indefinitely. Further, the staple length restrictions on cotton comber waste were eliminated.

EC Commission Removes Ceiling for Beef Intervention Purchases

The EC Commission decided to reopen purchases of beef beyond the 220,000 ton ceiling provided under previous EC regulations. Reasons given for this action were as follows: the market weakness as a result of the Bovine Spongiform Encephalopathy (BSE), the fall in exports to Iraq and Kuwait, and market fluctuations due to the unification of Germany. The Commission will review the outcome on January 15, 1991.

Taiwan Proposes a Tax on Feed Imports To Finance Manure Control

The Taiwanese Council of Agriculture (COA) is contemplating the imposition a tax of $7.3/ton on imported feed grains and soybeans for 3 years to collect funds for Taiwan's hog manure control. According to the Chairman of COA, Taiwan could further expand the current live hog inventory and export more pork to Japan if the waste issue were solved. The U.S. Agriculture Section Chief at the American Institute in Taiwan as well as representatives of the U.S. Feed Grain Council and American Soybean Association, have protested this proposed action on the grounds that it is a trade barrier and unfairly discriminates against the United States which is the major exporter of these products to Taiwan.

Japanese Find Sulfamethazine Residues in Imports of Pork from Taiwan

Three shipments of pork from Taiwan have been identified by the Japanese Ministry of Health and Welfare as containing a violative level of sulfamethazine. As a result, a 100-percent hold and test has been placed on all Taiwanese pork imports as of October 26. Taiwan and the United States are the primary suppliers of chilled pork to the Japanese market with Japan importing 15,869 metric tons of pork from Taiwan and 9,262 metric tons from the United states from January to September, 1990. Currently, only two U.S. plants are under the temporary 100-percent hold and test for similar violations.

Indian Sugar Exports for 1990/91 Could Surpass 200,000 Tons

India's sugar exports have not exceeded 200,000 tons since the 1983/84 marketing year (October-September). Although India is the leading cane sugar producer in the world, production in recent years has been insufficient to meet domestic demand, which has been fueled by rapid population growth. Because of short domestic supplies in 1989/90, India was a significant buyer in the world sugar market, importing over 250,000 tons. Forecast record output in 1990/91, however, is expected to provide India with a substantial surplus over domestic requirements, 100,000 tons of which the Government has earmarked for export between November 15 and the beginning of January. At current world prices, which have fallen considerably over the last 5 months, the Government will have to subsidize these exports, given the high domestic price for sugar. Revenues from sales will help India offset higher oil import prices.

Jamaica Purchases $975,000 Worth of Butteroil

The Jamaica Commodity Trading Company signed a CCC contract on November 5 for 600 tons of butteroil for delivery before December 15. The FAS sale price was $1,625 per ton.

For more information, contact Emiko Miyasaka, (202)382-9054.

U.S. Agricultural Exports by Major Commodity Group

Monthly and Year-End Performance Indicators

	Sept 1989	Sept 1990		Fiscal Year 1989	Fiscal Year 1990		1991 (f) 1/	
	--Bil.$--		Change	--Bil.$--		Change	--Bil.$--	Change
Grains & feeds 1/	1.421	0.985	-31%	17.092	16.019	-6%	13.8	-14%
Wheat	0.653	0.341	-48%	6.023	4.224	-30%	3.1	-27%
Wheat flour	0.041	0.012	-71%	0.255	0.202	-21%	0.2	-1%
Rice	0.092	0.066	-28%	0.956	0.830	-13%	0.8	-4%
Feed grains 2/	0.430	0.374	-13%	7.249	7.962	10%	6.9	-13%
Corn	0.310	0.315	2%	6.107	6.929	13%	6.0	-13%
Feeds & fodders	0.138	0.114	-17%	1.822	1.812	-1%	NA	NA
Oilseeds & products	0.298	0.332	12%	6.777	6.253	-8%	6.2	-1%
Soybeans	0.119	0.182	52%	4.089	3.939	-4%	3.9	-1%
Soybean meal	0.034	0.048	41%	1.326	0.990	-25%	1.1	11%
Soybean oil	0.059	0.038	-36%	0.404	0.339	-16%	0.3	-12%
Other vegetable oils	0.046	0.024	-48%	0.416	0.394	-5%	NA	NA
Livestock products 3/	0.453	0.456	1%	5.383	5.418	1%	5.5	2%
Red meats	0.155	0.190	22%	2.136	2.181	2%	NA	NA
Animal fats	0.059	0.041	-30%	0.524	0.468	-11%	NA	NA
Poultry products 3/	0.056	0.069	23%	0.726	0.856	18%	0.9	5%
Poultry meat	0.037	0.049	31%	0.509	0.624	23%	NA	NA
Dairy products 3/	0.039	0.020	-50%	0.490	0.342	-30%	0.5	46%
Horticultural products 3/	0.344	0.470	37%	4.086	5.154	26%	5.5	7%
Unmanufactured tobacco	0.071	0.074	3%	1.274	1.373	8%	1.4	2%
Cotton & linters	0.170	0.146	-14%	2.059	2.719	32%	2.7	-1%
Planting seeds	0.043	0.059	38%	0.498	0.580	16%	0.6	3%
Sugar & tropical products 3/	0.111	0.109	-2%	1.167	1.401	20%	1.4	0%
Total ag. export value 3/	3.007	2.720	-10%	39.551	40.118	1%	38.5	-4%

	--MMT--		Change	--MMT--		Change	--MMT--	Change
Grains & feeds 1/	9.488	7.103	-25%	115.092	113.555	-1%	NA	NA
Wheat	4.062	2.802	-31%	37.766	28.095	-26%	27.5	-2%
Wheat flour	0.177	0.057	-68%	1.175	0.880	-25%	1.2	36%
Rice	0.273	0.207	-24%	3.043	2.502	-18%	2.4	-4%
Feed grains 2/	4.011	3.205	-20%	60.422	69.031	14%	59.8	-13%
Corn	2.888	2.699	-7%	50.481	59.878	19%	51.8	-13%
Feeds & fodders	0.808	0.685	-15%	11.011	11.065	0%	11.9	8%
Oilseeds & products	0.917	1.142	25%	21.277	24.046	13%	NA	NA
Soybeans	0.486	0.752	55%	14.116	17.217	22%	16.6	-4%
Soybean meal	0.145	0.222	53%	4.781	4.558	-5%	5.0	10%
Soybean oil	0.120	0.060	-50%	0.754	0.614	-19%	0.6	-2%
Other vegetable oils	0.078	0.028	-64%	0.682	0.618	-9%	NA	NA
Livestock products 3/	0.245	0.196	-20%	2.442	2.381	-2%	NA	NA
Red meats	0.058	0.056	-3%	0.715	0.676	-5%	0.7	4%
Animal fats	0.158	0.105	-34%	1.369	1.270	-7%	1.2	-6%
Poultry products 3/	0.032	0.046	44%	0.425	0.564	33%	NA	NA
Poultry meat	0.032	0.046	44%	0.419	0.560	34%	0.6	7%
Dairy products 3/	0.029	0.012	-59%	0.353	0.214	-39%	NA	NA
Horticultural products 3/	0.259	0.395	53%	3.796	4.565	20%	5.0	10%
Unmanufactured tobacco	0.014	0.012	-14%	0.212	0.220	4%	0.2	-9%
Cotton & linters	0.111	0.092	-17%	1.491	1.703	14%	1.6	-6%
Planting seeds	0.073	0.105	44%	0.494	0.578	17%	NA	NA
Sugar & tropical products 3/	0.076	0.077	1%	0.744	0.921	24%	NA	NA
Total ag. export volume 3/	11.243	9.180	-18%	146.339	148.749	2%	139.5	-6%

NA = Not available.

1/ Includes pulses, corn gluten feed, and meal.
2/ Includes corn, oats, barley, rye, and sorghum.
3/ Includes only those items measured in metric tons.

Weekly Quotations for Selected International Prices 1/

Dollars per metric ton	Week of 11/16/90	Month ago	Year ago
Wheat (c.i.f. Rotterdam) 2/			
Canadian No. 1 CWRS 13.5%	148	136	197
U.S. No. 2 DNS 14 %	133	136	183
U.S. No. 2 SRW	127	127	191
U.S. No. 3 HAD	153	152	179
Canadian No. 1 durum	157	156	191
Feed Grains (c.i.f. Rotterdam) 2/			
U.S. No. 3 yellow corn	116	118	134
Soybeans and Meal (c.i.f. Rotterdam) 2/			
U.S. No. 2 yellow soybeans	233	248	249
U.S. 44 % soybean meal	NQ	NQ	225
Brazil 48 % soy pellets	200	212	221
U.S. Farm Prices 3/ 4/			
Wheat	87	87	139
Barley	79	79	77
Corn	85	51	90
Sorghum	78	80	81
Broiler 5/	1,062	1,082	1,107
Soybeans 6/	209	223	218
EC Import Levies			
Common wheat	121	122	91
Durum wheat	141	141	132
Barley	107	110	90
Corn	103	103	94
Sorghum	105	105	99
Broilers	246	250	365
EC Intervention Prices 7/			
Premium Wheat	124	NA	142
Common Wheat	122	NA	139
Feed Wheat	115	NA	133
Maize	122	NA	139
Barley	115	NA	133
Sorghum	NA	NA	133
Broilers	NA	NA	1,286
EC Export Restitution (subsidies) 8/			
Common wheat	81	78	50
Barley	NA	115	66
Broilers	245	249	400

NQ = No quote. NA = Not available. Note: Changes in dollar value of EC import levies, intervention prices, and export restitutions may be the result of changes in $/ECU exchange rates.

*1/ Mid-week quote. 2/ Asking price in dollars for imported grain and soybeans and soybean products, c.i.f. Rotterdam for nearby delivery. 3/ Five-day moving average. 4/ Target price for current marketing year in $/metric ton: wheat, $151; barley, $112; corn, $112; sorghum, $106; soybean loan rate, $166. 5/ Composite 12-city weighted average price for trucklot sales to be delivered to first receiver. 6/ Central Illinois processors bid to arrive. 7/ Buy-in equals 94% of intervention price plus full value of monthly increments. 8/ Figures represent restitutions awarded nearest to the listed dates, * denotes no award given since the previous month.*

* U.S. G.P.O:1990-281-074:20825/FAS

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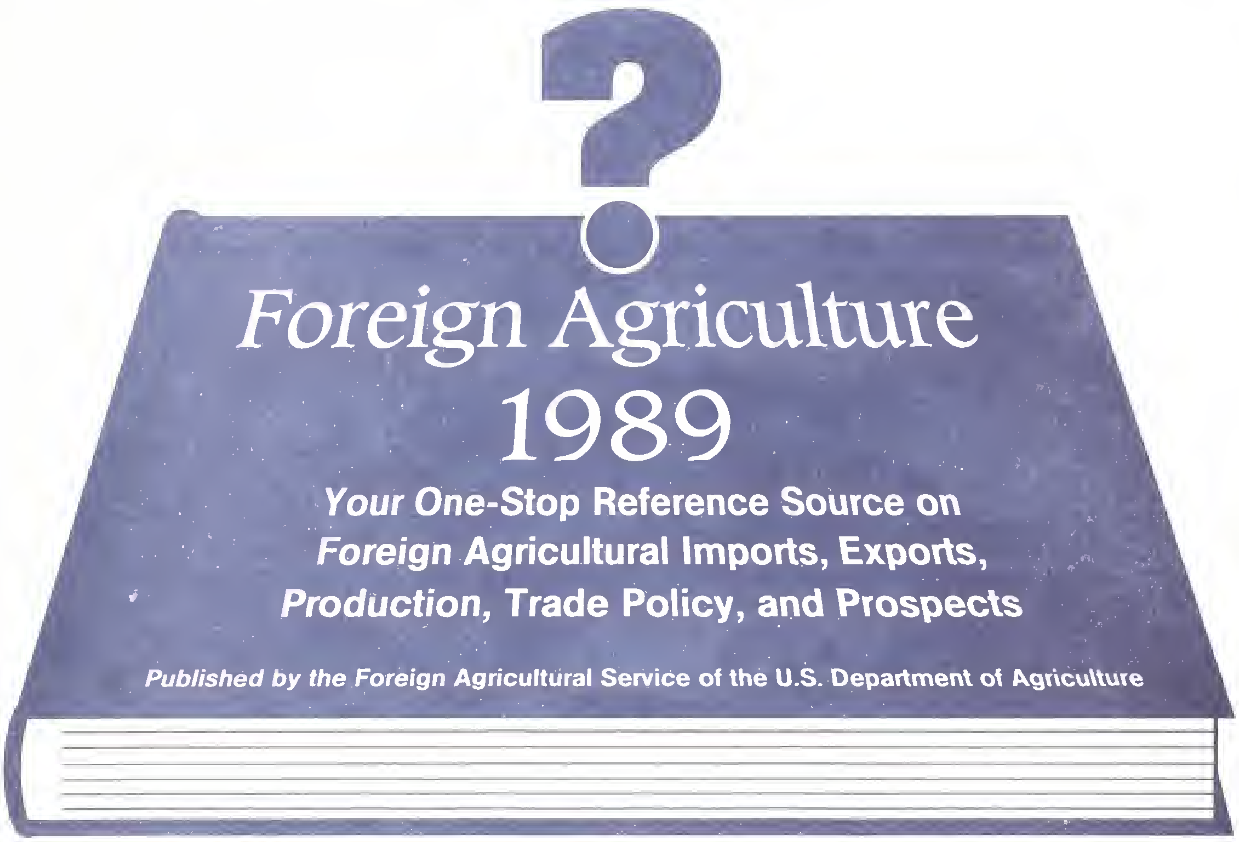

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